DISCUSSION DRAFT

King County Metro
Six Year Transit Development Plan Update

Background Paper on Waterborne Transit, and Proposed Strategy S-14

Presented to the Regional Transit Committee
June, 2004

King County
METRO

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King County Council budget section 101, Transit Proviso 1 provided that:

> The executive shall submit a work program for the development of a waterborne transit element of the Six-Year Transit Development Plan. The work program shall include coordination with the Gates Foundation-funded work of the Discovery Institute on waterborne transportation. The work program shall produce an analysis and recommendation on King County Metro Transit's role in waterborne transit and shall be transmitted with the executive-proposed 2004 update to the Six-Year Plan.

In response**,** King County Metro staff has developed a work program to explore when, how and under what conditions King County might participate in the development and delivery of passenger ferry service on the County's navigable waterways. This paper provides background information on waterborne transportation and a proposed work program, expressed as a proposed new strategy for amendment into the Six-Year Transit Development Plan.

This paper includes the following information:

1. Proposed language for a new Six Year Plan strategy defining a work program to address issues facing King County regarding its potential roles in waterborne transit, and

2. Background information that was considered in developing the proposed Six Year Plan strategy, including:

   - Highlights of the history of waterborne transit in the Puget Sound region,

   - Summary review of past studies that investigated passenger ferry service on King County waterways (primarily over Lake Washington) and discussion of what has changed since those studies were completed,

   - Possible operating, financing and policy options the County could choose, and possible approaches to partnership with private operators, and

   - Issues that need further analysis or should be studied to help decision-makers determine whether, when and how the County should invest in waterborne transit.

Proposed Six-year Plan Strategy S-14

The following text is proposed to be added to the Six-Year Plan as Strategy S-14 when the plan is updated later in 2004.

Waterborne Transit

Strategy S-14

Carry out a work program to determine the conditions when King County investment in waterborne transit may be appropriate. Analyze costs, ridership, benefits and impacts of representative passenger ferry services under different operating, funding and policy assumptions. Assess the risks, costs and benefits of each option; and recommend next steps. The results will provide policy-makers with information needed to decide when County investment in waterborne transit is justified and under what terms.

Coordinate the work program with appropriate stakeholders and others currently working on waterborne transportation issues, including Washington State Ferries and the Discovery Institute.

A study is proposed to help King County decision-makers determine under what conditions and circumstances King County could choose to participate in the provision of passenger ferry services. The study will analyze potential markets, operating and funding strategies, and possible public and private roles. Based on findings, staff will propose recommended policies, criteria and potential next steps. A budget proviso directs that this effort will be coordinated with the work of the Discovery Institute. Additional stakeholder and industry input and comment will be solicited on the options to be considered, evaluation methods, and proposed study recommendations.

Proposed Work Program – January-June 2005

Task 1 – Inventory and synthesis of previous studies. Catalog work done to date on Puget Sound passenger ferry options to take maximum advantage of previous work. Include the history of passenger ferry service locally and nationally; a summary of previous studies; and a summary of analyses and findings related to passenger demand, operating models, financing options, fares, service levels, landside facilities, land access, etc.

Task 2 – Explore and review possible operating, financing and partnership options. Identify approaches to operating and financing passenger ferry services in King County. Operating options will include direct county operation, contracted, or franchised private operation, or purely private operation. Financing options will include

use of transit funds (including implications of subarea service allocation policies), ferry district revenues, and use of different fare structures. Public-private partnership options will address possible terms of County participation, including provision of capital facilities, direct service or fare subsidies.

Task 3 – Develop sample routes and implementation strategies. Work with the stakeholder committee to develop representative passenger ferry routes to serve Vashon, West Seattle, Lake Union and Lake Washington travel markets and reasonable implementation scenarios.

Task 4 – Assess relative costs and effectiveness of each option. For each combination of service and implementation strategies, identify service hours, vessel and terminal needs, projected usage, fare revenue, subsidy requirements, and other relevant evaluation data. Summarize strengths, weaknesses and issues related to each option.

Task 5 – Conduct stakeholder outreach. Conduct two workshops and other outreach to stakeholders including potential service providers, cities, major institutions, labor, regulatory agencies, the King County Council and other interested parties. Stakeholders will assist in the development and analysis of options, and comment on proposed project recommendations.

Task 6 – Develop recommendations

- Conditions when County participation in water transportation should be considered
- Institutional and operating options and recommendations
- Financing and fare options and recommendations
- Source and nature of County subsidy, and expectations of other partners
- Next steps

Brief History of Puget Sound Waterborne Transit

Before roads connected most King County communities, waterborne transit played a primary role in mobility and the growth of King County communities. For decades communities on the shores of Puget Sound and Lake Washington depended on waterborne transit for travel and commerce. From the mid eighteen hundreds to the mid nineteen hundreds, fleets of both large and small vessels transported King County residents, livestock, crops, mail and everything else.

By 1935, most of the wood hulled, steam powered "Mosquito Fleet" boats that sailed Puget Sound were replaced by diesel-electric auto ferries that previously sailed San Francisco Bay. Those vessels became available when the Golden Gate Bridge opened in 1935. That fleet evolved into an extension of a growing Puget Sound Region highway network, serving as floating highway segments, ferrying auto and truck traffic across the Sound. Since then, under the direction of the Washington State Ferries, the Puget Sound ferry fleet has grown to the largest auto ferry fleet in the nation.

Washington State Ferries links eight counties and British Columbia. Today the system offers 10 routes with 20 terminals. Twenty-nine vessels provide service to over 11 million vehicles and 27 million people annually. Walk-on passengers make-up about 7.2 million, or 27% of the total system ridership. Seattle's job density within walking distance of Coleman Dock increase the Bainbridge/Seattle and Bremerton/Seattle auto ferry routes walk-on percentage to over 40%.

Passenger-only Ferries

In the 1970s, the Washington State Ferries (WSF) explored passenger ferries as a way to curb auto ferry demand and reduce the high capital cost of car ferries and related landside infrastructure. The State undertook a demonstration project using "Jetfoils," a hydrofoil hull designed and built by the Boeing Company. The operating cost for the Jetfoils was extremely high and the WSF did not pursue the service beyond the demonstration, as the boats were better suited for longer crossings. The Boeing Company did find a niche for the high-speed Jetfoil passenger ferries, building nearly two dozen for service in Hong Kong, Japan, the English Channel, the Canary Islands, Saudi Arabia and Indonesia.

The development of aluminum catamaran technology facilitated the ferry system's re-entrance into the passenger ferry business. The boat's 25-30 knot speed was 10 to 15 knots faster than conventional auto ferries making their use attractive on the longer Puget Sound crossings. The passenger ferries speed cut the crossing time in half between Seattle and Bremerton.

In 1985, the WSF adopted a long-range plan identifying two passenger-only routes between Seattle and Vashon/Southworth, and Seattle and Bremerton. The Seattle Bremerton service started in 1986 using a 270-passenger catamaran, the Tyee. The

passenger-only service was immediately popular, but WSF found that reducing the number of car ferry sailings as an offset to the added passenger-only service was difficult. Riders were not willing to substitute car ferry sailings since mechanical issues plagued the passenger only vessels making the passenger only service less reliable.

Soon rapid growth in both auto and passenger traffic made it impossible to diminish auto ferry service. Foot passenger demand was exceeding the capacity of the passenger-only trips, forcing the overflow onto the car ferries that have capacity to accommodate 1200 to 2500 passengers. In 1990, the acquisition of two 250-passenger monohull vessels, the Skagit and the Kalama allowed expansion of passenger-only ferry service between Vashon and downtown Seattle and additional seats for the Seattle Bremerton run.

In 1993, the Washington State Transportation Committee adopted a program of expansion of passenger-only ferry service with a new fleet of larger vessels. The goal was to increase passenger ferry service to more destinations and deemphasize movement on the Seattle/Bainbridge route that attracts foot passengers due to a shorter crossing time (30 minute) and frequent departures. To achieve competitive service levels Washington State Ferries determined that two vessels capable of 30 to 35 knots were needed to operate the Seattle to Bremerton and the Southworth/Vashon to downtown Seattle routes. The State commissioned construction of two 350 catamaran passenger-only ferries, the Chinook and the Snohomish. Those boats went into service on the Seattle/Bremerton crossing in 1998 and 1999.

The passage of Referendum 49 in November 1998 provided the funding for new terminals at Southworth and Kingston and the expansion of the passenger-only ferry fleet. However, a year later voters rescinded a significant portion of those funds through Initiative 695. Although I-695 was determined to be unconstitutional, the legislature repealed the Motor Vehicle Excise Tax (MVET.) Loss of MVET funds reduced the Washington State Ferries operating revenues by about half and capital funds by 75%. Although the state provided bridge funding, WSF faced a significant funding shortfall. As part of system wide effort to reduce cost, WSF dropped weekend passenger-only service from Vashon and Bremerton in the summer 2000. In 2001, WSF raised fares 20% and imposed a $1.00 surcharge on both passengers ferry routes. Fares went up again in 2002 by another 12.5%.

Increased fares, combined with reduced speeds through Rich Passage due to wake-caused erosion concerns reduced the attractiveness of the Bremerton passenger-only route. Ridership dropped and fare recovery dipped to 15% in 2000. When a subsequent funding initiative (Referendum 51) failed at the polls, no viable strategy existed to replace the system's aging fleet and address system-wide terminal deficiencies. To offset lost revenues, WSF adopted a 5/5/5 strategy – reduce operating cost by 5%, hold fare increase to 5%, increase revenues by 5% from other sources.

Planners proposed cuts that included elimination of both passenger-only routes as part of plan to reduce operating cost. The 2003 legislature eliminated the Seattle/Bremerton passenger-only route in September 2003, but continued funding for the Seattle/Vashon

passenger-only service at least through June 2005. Meanwhile WSF has worked to maximize the farebox return/operating expense revenue ratio. The 2004 legislature mandated that WSF develop a 10-year vision for the movement of passengers across Puget Sound by the end of 2004. The 10-year vision will develop strategies and provide policy to define and maximize efficient delivery of passenger service on Central Puget Sound.

In November 2003, Kitsap Transit placed a referendum on the ballot to provide funding to replace the Bremerton/Seattle passenger service and start a new service from Kingston to downtown Seattle. Voters rejected the referendum by a 2 to 1 margin. Since then, two different private operators have announced plans to seek Washington Utilities and Transportation Commission approval to operate peak period service from Bremerton and Kingston to downtown Seattle.

Elliott Bay Water Taxi

In 1997, King County, the City of Seattle and the Port of Seattle jointly sponsored a demonstration of the Elliot Bay Water Taxi. The all-day service served Seacrest Park, Pier 54 and the Bell Street Marina (Pier 66) from June 28 through September 1. The fare was $2/each way and bus passes & transfers were not accepted. Two “free fare’ shuttle routes served the ferry from West Seattle. The demonstration continued in 1998 with the timeframe expanded from May 23 through October 16, 1998. The cash fare increased to $3/each way with $2 reduced fares for seniors, youths, disabled riders, or riders with a bus pass or transfer. In September and October, peak hour transfers were accepted.

In 1999, King County operated the Water Taxi from June 19 through September 6 using transit revenues. The Water taxi route served only Seacrest Park and Pier 54 in 1999. The cash fare was $2/each way, and bus passes & transfers were accepted as payment. No shuttle service was operated in West Seattle; riders were directed to use regular bus routes. King County initially intended to implement a year-round demonstration of the Elliott Bay Water Taxi beginning in 2000, but the financial impacts of the passage of Initiative 695 eliminated the ability to operate any service in 2000.

With transit revenues mostly restored after voters approved a two-tenths sales tax increase, King County implemented a year round Water Taxi demonstration 2001. During this demonstration, the route served Seacrest Park in West Seattle and Pier 54 on Seattle downtown waterfront. Like the seasonal demonstrations, the “Admiral Pete,” a 50 ft. catamaran with a capacity of 82 passengers and maximum speed of 22 knots delivered the all-day service. King County Metro operated fare-free shuttle service that was coordinated with the Water Taxi schedule between Alki Point and the West Seattle Junction. Since the Water Taxi did not run in 2000 and with it only operating seasonal service the other years, King County implemented an extensive marketing campaign to promote the year round service. During the demonstration passenger surveys were conducted to determine use and public opinion about the service.

The full year demonstration provided an opportunity to assess the market demand for year-round service and gain critical experience in operating marine transportation during inclement weather conditions. The demonstrations showed clearly that while the Water Taxi service is competitive with other public transportation modes serving similar trips during the summer months, the off-season productivity drops dramatically. This is because the tourist and recreational markets plays a large part in the viability of the Elliott Bay Water Taxi.

During the summer, 54% of Water Taxi riders use the service for recreational purposes, and ridership includes a large number of tourists. This market shrinks significantly in the off-season, affecting not only the ridership numbers but also the farebox recovery, since many of these riders paid the $2 cash fare instead of showing a Metro pass or transfer. The weather and water conditions also affected ridership during the off-season. The availability of other transportation alternatives, including bus service between West Seattle and downtown Seattle, allowed customers to select a more comfortable option during poor weather days. It is possible that design of any future dock facilities and vessels could provide some mitigation for this factor.

The demonstration project led King County Metro to conclude that water taxi service across Elliott Bay should be operated on a seasonal basis if operated at all (e.g. May through September).

Lake Washington Ferry Service

Waterborne transit on Lake Washington dates as far back as 1891 when President Benjamin Harrison toured Lake Washington on the ferry Kirkland. True ferry service began on Lake Washington about 1900. The Ferry Leschi, christened in 1913 was the first publicly owned vessel and the first designed to transport cars across the lake. The Leschi served the Medina-Kirkland-Leschi route until the I-90 floating bridge eliminated the need for the service.

Previous Studies of Potential Passenger-only Ferry Services

As the freeways of our region have become increasingly congested, numerous studies have explored ferry service in hopes of improving mobility. All of the studies in King County focused on the potential for service across Lake Washington.

United States Department of Transportation (USDOT)

In 1984, the United States Department of Transportation (USDOT) studied Lake Washington ferry service as part of its preliminary list of potential ferry routes. Their findings suggested that due to a variety of factors ferry service between Kirkland and the University of Washington would not be competitive with other modes of travel.

Municipality of Metropolitan Seattle

In 1988, the Municipality of Metropolitan Seattle (Metro), known today as King County Metro, analyzed the establishment of passenger ferry service on Lake Washington in response to a City of Bellevue resolution. The analysis found that:

- Development of a high-speed passenger ferry system on Lake Washington is technically feasible, however operational concerns restrict its application.

- Under optimal conditions ferry service is too slow to compete with bus travel times.
- Ferry terminals can not be located directly adjacent to major activity and employment centers, so ferry patrons would need to transfer to another mode at each end of the boat trip. Buses on the other hand can offer direct service to major destinations.
- Landside facility investments (terminals, parking facilities and roadway improvements) would be needed to support passenger ferry service. The analysis suggested that construction and use of landside facilities would likely result in significant impacts to the natural and built environments. Concerns included destruction of sensitive habitat, wave erosion, noise and congestion.
- The cost effectiveness of providing ferry service is questionable given limited market potential and high capital and operating cost.

Port of Seattle Study

The Port of Seattle commissioned a study to review waterborne transit on Lake Washington in 1989. An association of four Seattle-area firms; The NBBJ Group, Thomas Berger Associates, TDA INC., and Perkins Coie prepared the study. The study concluded that low cost and potentially rapid implementation warranted a short-term demonstration on one or two Lake Washington routes and expanded passenger ferry service on Puget Sound.

The report proposed that:

- public funds should be used to locate and build the land side facilities,
- a dedicated shuttle bus system would be vital to the success of the demonstration,
- generally, no parking should be included at terminals, access to the service would be by foot or dedicated shuttle buses,
- vessel services and ground transportation should be provided by private operators, and
- fares should cover operating and maintenance cost.

The study spurred conversation and even motivated Argosy tours and Kirkland Commons to explore a yearlong “non-profit shuttle ferry pilot project.” The pilot project was eventually dropped when promoters determined that maintaining a competitive fare and financial success would require public subsidy. The group was also concerned that the estimated travel time to downtown Seattle might be too long to attract potential passengers away from overland travel modes.

Service to the University of Washington was more time-competitive, but the fare needed to cover maintenance and operation was thought to be too high ($2.13 to $3.30 one-

way) compared to the cost of a bus ride ($1.60 at that time.) Another critical issue was that a large part of the potential market, University of Washington employees and students, receive a subsidized bus pass (UPASS program) that brought the one-way bus fare across Lake Washington to less than fifty cents.

Trans-lake Washington Study

Sound Transit commissioned a study of the feasibility of Lake Washington passenger ferry service as part of the Trans-Lake Washington Study in 2000. Parametrix, Inc. in association with Parsons Brinckeroff Quade and Douglas, Inc. prepared the study. The report included a review of terminal sites, vessel types, environmental issues and land-side issues such as parking, connections to public transportation and traffic impacts. The report compared ferry travel times to other modes and forecasted ridership for a proposed route between downtown Kirkland, the University District and South Lake Union.

The report showed that ferry service travel time could be competitive to bus between downtown Kirkland to the University District. Speed limitations through the Montlake Cut, and in Portage Bay and Lake Union would likely make ferry service noncompetitive with other modes between downtown Kirkland and Downtown Seattle. The Report showed that public subsidies for a viable Kirkland to University District ferry service would be significantly higher than for bus transit serving the same market.

The study projected boardings at 675 per weekday, with 540 boarding between Kirkland and the University of Washington and 135 between the University of Washington dock and South Lake Union. If direct shuttle service and park-and-ride facilities were provided to improve Kirkland access, boardings between Kirkland and the University of Washington were expected to increase to 705 boarding per weekday.

Ridership forecasts were estimated assuming a 60-minute crossing between Kirkland and South Lake Union that included a stop at the University of Washington Marina. The crossing between Kirkland and the University was estimates at 32.5 minutes. The operating plan assumed vessels would operate at 25-knots in Lake Washington and at 7 knots west of Webster's Point through Union Bay, the Montlake Cut, Portage Bay and in Lake Union. The operating plan scheduled departures hourly from 6 A.M. to 10 P.M. using two ferries.

The study acknowledged several qualifications that those interpreting ridership forecast should take into account. First, the tourist market is difficult to estimate. Traditional transportation forecasting methods do not reflect factors related to tourist traffic, such as the extent the service in is marketed to tourist related industries (hotels, cruise ships, convention planners, etc). Second, it is difficult to forecast the intangible factors like the attractiveness of waterborne transit over bus transit, or to assess how factors such as the weather could affect ridership seasonally.

The study provided operating and capital cost estimates for both 49-passenger and 149-passenger vessels. Consideration was also given to upland improvements

including docking, parking requirements and shuttle connections. The study found farebox recovery for the baseline scenario would range between 9 and 12 percent. The farebox return improved to 13 to 15 percent if the operating plan included park-and-ride and shuttle service. Under the best operating plan scenario, net operating cost per boarding was estimated between $7.91 and $13.52. If only the lower bounds of projected ridership materialize the cost per boarding could be as high a $44.00 per boarding. For comparison, the study sited the net operating cost per boarding for the Sound Transit Regional Express service in 1999 at $5.20.

The study concluded that a "placeholder" be placed in the Sound Transit budget for a the proposed Lake Washington Ferry demonstration project and suggested that expected excess tax revenues from the East King County Subarea as the potential funding source. The demonstration project's measures of success should include ridership and farebox recovery, traffic and parking impacts, operating cost, and user response to the service.

Marine Industry White Paper
(Regarding the Trans-lake Washington Ferry Feasibility Study Ferry Feasibility)

The Passenger Vessel Association commissioned a White Paper that was prepared by Jeff Kelton, Sr., a Naval Architect from John J. McMullen Associates, Inc. The paper questioned the Trans-lake Washington Ferry Feasibility Study in several areas, most notably in the areas of operational expenses and market. The White Paper suggested that the Trans-Lake study had overestimated operating cost and used an insufficient tool (bus transit model) to project ridership.

Much of the White Paper's findings were based the Translake consultant's focus on service speed, "at or above 25 knots", when the service schedule indicated speeds of less than 25-knots are most appropriate. The White paper suggests that "speed costs money", and for each unnecessary knot in speed, engine horsepower increases exponentially as does vessel weight, capital costs, operational costs and wake/wash energy.

The White paper made the following recommendations:

- Reanalyze ridership including present and future demographics, tourist ridership and intangibles which are significant in water transit
- Correct operation cost based in data from the marine industry
- Recalculate farebox recovery
- Examine funding possibilities more deeply, including pubic-private operating models
- Analyze other east-west and north-south Trans-lake routes.

Lessons Learned From Past Studies, and Remaining Issues

The idea of operating passenger ferry service on King County's navigable waterways is not new. Not only did waterborne transit play a significant role in the history of our region; past studies imply that ferry operation is possible and passenger-only ferry service could a play a role in King County's transportation network. However:

- It is difficult to develop landside facilities such as docks, parking, and intermodal facilities adjacent to major activity and employment centers.
- The success of the passenger ferry service is often dependent on parking at terminals and connecting shuttle service designed to collect and distribute ferry passengers.
- Operating costs are projected to be significantly higher than bus transit, yet travel times are likely to be slower than bus service to major transit markets.
- The farebox may not cover the operating and capital cost of service and some level of public subsidy will likely be needed to support the service.

We also know some things have changed that suggest now is a good time for further examination of passenger ferry service. For example:

- Decisions by Washington State Department of Transportation could eliminate Vashon Passenger service. The County could play a key role in the development of replacement passenger-only ferry service to downtown Seattle.
- Seattle's land use plan designates South Lake Union as a principal growth area expecting up to 25,000 jobs and a substantial increase in households putting a major activity center near a prospective passenger ferry route.
- The planned alignment for North Link light rail line includes a station just south of Husky Stadium, within walking distance of a possible dock. The Stadium Station would allow riders from Lake Washington destinations to access Seattle destinations including Downtown Seattle, Capitol and First Hill, University District, the Roosevelt community and Northgate once Link is completed.
- The SR 520 bridge is at risk of failure and needs replacement. A cross-lake passenger ferry service could provide emergency service if the bridge was lost, and might play a limited mitigation role during bridge replacement. Passenger ferry service could play similar mitigation role during construction of the Alaskan Way Viaduct. WSDOT would be responsible for identifying and funding construction mitigation.

King County has experience operating the Elliot Bay Water Taxi. The Water Taxi maintains similar cost per rider and its farebox return is inline with bus transit serving

similar markets during the summer months, in large part because of recreational trips and tourist traffic.

New funding options exist to fund passenger ferry service. The State legislature approved legislation in 2004 that allows King County to form a Ferry District in all or a portion of the county for the express purpose of constructing, operating, and maintaining passenger only ferry service. The legislation authorizes the governing body of the ferry district (the King County Council) to levy a property tax not to exceed seventy-five cents per thousand of assessed value to fund passenger only ferry service. We know there is interest from members of the marine industry to explore operation of passenger only ferries and partnerships with government to provide such service.

Questions that Remain

Our review has raised many questions. Further study is needed to determine viable passenger ferry markets, as well as the appropriateness of different operating and funding or public-private partnership models. Each of these is discussed further below.

Potential Operating Models

Throughout the nation, many different operating strategies are used for passenger ferry services, often using a mix of public and private participation. Different approaches to operation and public-private partnership imply different costs and risks to the County.

Some examples include:

- *In-house* -- publicly funded operated in-house using King County employees. Pierce County operates ferries this way between the Town of Steilacom, Anderson Island, and Ketron Island.

- *Contracted* -- publicly funded, service provided through a contract with a private service provider. This is the approach used for the Elliott Bay Water Taxi.

- *Franchised* – may involve some level of public funding (likely capital, promotions, information, branding), but a private entity implements the operation and assumes financial risk and liability for the service.

- *Subsidized* – The County could provide specific subsidies to reduce private risk and cost, but without directly participating in operation. Examples include providing capital facilities (docks, vessels) or providing a cash value of carriage of transit passengers with passes or transfers. Kitsap Transit is currently encouraging private companies to operate passenger ferry service between Kingston and downtown Seattle, and Bremerton and downtown Seattle by subsidizing the development of docking facilities, future acquisition of vessels, providing dedicated shuttle service, undertaking fare coordination and marketing activities related to the service.

- *Market Based* – The public sector plays no role besides authorizing the activity -- private sector promotes the service, funds capital, and operations, and assumes all risk of providing the service. The endeavor is funded wholly through the fare box without public subsidy. Examples of this approach include the Victoria Water Taxi Service and the Aqua Express proposed for Kitsap County.

Funding Options

If the County chooses to invest in waterborne transportation, there are also several approaches to funding the service. For example:

- *King County Metro subsidy* – Use existing taxing authority to fund passenger ferry service in King County. Ferry service would compete with bus transit and other alternative modes for funding.

- *County Ferry District* -- The 2003 Washington State Legislature authorized Counties with a boundary on Puget Sound to create ferry districts for the purpose of providing passenger only ferry service. County Ferry Districts are municipal corporations, with independent taxing authority and may include all or a portion of the area of the county. They are authorized to construct, purchase, and maintain all elements needed to operate passenger-only ferry service on waters that cannot be forded including ground-side facilities such as roads, approached and landings. To fund such service, the governing body of a County Ferry District (the County Council) is authorized to levy an ad valorem tax on all taxable property located in the district not to exceed seventy-five cents per thousand dollars of assessed value. Ferry Districts can ask the voters of the district for excess levies for a one-year period to be used for operating or capital purposes under RCW 84.52.052.

- *Fare Based* – This alternative presumes that adequate fare revenue would exist to fund operation of the service. Historically, fare based services have not be successful outside of specific tourist markets. To cover the capital and operating cost of commuter services or all day service, fares would need to be high – likely so high that the service would not be competitive with other forms of transit or personal vehicles.

- *Local Improvement District* – Individual property owners or associations who receive direct benefit from the propose service band together to fund the project.

- *All of the Above* – In order to implement all-day passenger ferry service it is likely that some combination of funding sources and assumption of risk by various parties will be required. A mix of public and private funding could be blended to fund capital improvements and operational cost. For example, King County could create a ferry district to fund needed capital (vessels and dock) facilities necessary to operate the service. The County would then authorize a private provider to operate the service who would support their operation through the collection of fares, vending, and advertising. If fares are not sufficient to support operation of the service, subsidy could come from Local Improvement District and/or public contribution through existing transit subsidy or the general funds of benefit jurisdictions.

Ongoing Work Requiring Coordination

Two ongoing efforts are addressing waterborne transportation issues. A King County Metro work program should be coordinated with both of these efforts to minimize duplication and to focus more specifically on issues of particular interest to King County.

1. *Washington State Ferries* – The 2004 legislature mandated that WSF develop a 10-year vision for the movement of passengers across Puget Sound by the end of 2004. The 10-year vision will develop strategies and provide policy to define and maximize efficient delivery of passenger service on Central Puget Sound.

2. *Discovery Institute* – The Discovery Institute has convened a Puget Sound Passenger Ferry Coalition that includes private vessel operators, elected officials and major stakeholders to explore opportunities to develop passenger ferry services in the Puget Sound area.

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